

**CALIFORNIA STATE
LANDS COMMISSION***Established in 1938***EXECUTIVE OFFICE**
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202**JENNIFER LUCCHESI, Executive Officer**
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July 1, 2019

File Ref: PRC 3133.1
PRC 4000.1
PRC 7911.1Charles Cappel
Chief Executive Officer
Carone Petroleum Inc.
1145 Eugenia Pl., Suite 200
Carpinteria, CA 93013**RE: Termination of Lease Nos. PRC 3133.1, PRC 4000.1, and PRC 7911.1**

Dear Mr. Cappel,

On June 28, 2019, the California State Lands Commission terminated State Oil and Gas Leases PRC 3133.1, PRC 4000.1, and PRC 7911.1 (the Leases). As a result, all entitlements to occupy or develop State of California lands within the previously leased areas for purposes of extracting mineral resources, have ended.

Pursuant to the California Coastal Sanctuary Act of 1994 (Pub. Resources Code § 6240 et seq.), the termination of the Leases now places the leased lands within the California Coastal Sanctuary. Mineral extraction on lands within the sanctuary is prohibited by law.

Sincerely,

JENNIFER LUCCHESI
Executive Officer

Charles Cappel

July 1, 2019

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cc: Joan Barminski, Regional Director, Bureau of Ocean Energy Management
Mark Fesmire, Regional Director, Bureau of Safety and Environmental
Enforcement
Theresa Bell, Bureau of Safety and Environmental Enforcement
Marion Garcia, U.S. Department of Transportation
Ken Harris, CA Department of Conservation
Tom Cullen, CA Department of Wildlife
Alison Dettmer, CA Coastal Commission
John Zorovich, County of Santa Barbara
Bonnie Luke, County of Ventura
David Durflinger, City of Carpinteria
Will Daniel, Exxon Mobil Corporation